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LETTER DATED 15 DECEMBER 1999 FROM THE CHARGÉ D'AFFAIRES A.I. OF THE PERMANENT MISSION OF YUGOSLAVIA TO THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have been instructed by my Government to convey its most serious concern over the continued violation of Security Council resolution 1244 (1999) of 10 June 1999 by the Special Representative of the Secretary-General in Kosovo and Metohija, the autonomous province of the Yugoslavia constituent Republic of Serbia. On 17 November 1999, the Special Representative issued the Regulation on Bank Licensing, Supervision and Regulation of Banks in Kosovo which, by its form and content, constitutes a flagrant violation of the territorial integrity and sovereignty of the Federal Republic of Yugoslavia, an integral and inseparable part of which is Kosovo and Metohija.

By issuing the said Regulation, the Special Representative has arrogated to himself the right to regulate the status of the new and existing banks and their branch offices in Kosovo and Metohija and authorized the Banking Payments Authority of Kosovo to issue banking licences independently. The unlawful act of the Special Representative has been taken in breach of the constitutional-legal, economic, monetary-financial and banking system of the Federal Republic of Yugoslavia and, as such, is grist to the mill of ethnic Albanian terrorism and separatism in Kosovo and Metohija. Therefore, the Yugoslav Government cannot accept the Regulation and will consider it null and void in respect of the operation of Yugoslav banks and their branch offices in Kosovo and Metohija, an integral part of the Republic of Serbia and the Federal Republic of Yugoslavia.

In that context, I would like to draw your attention to the following facts:

1. Beogradska banka a.d. (and their branch offices of Kosovsko Metohijska banka and Investbanka), Jugobanka a.d., Komercijalna banka a.d. Vojvodjanska banka a.d., Prva preduzetnicka banka a.d., RAJ banka a.d. and a number of other smaller banks have maintained for decades a

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network of branch offices and extensive operations, particularly in investment and customer service sectors.

2. The property and facilities of the great majority of the said banks and their branch offices have been destroyed, damaged or occupied by illegal representatives of the terrorist so-called Kosovo Liberation Army and their personnel have been evicted under armed escort.

3. The said banks and their branch offices have operated on the basis of licences issued by the National Bank of Yugoslavia and under its supervision in accordance with international standards and relevant Yugoslav laws.

Bearing in mind the aforementioned, as well as the present negative experience with the United Nations Interim Administration Mission in Kosovo (UNMIK) and its inadmissibly tolerant attitude towards illegal usurpations of the property and facilities of the Yugoslav banks legally registered in Kosovo and Metohija and towards daily physical threats to its personnel, the Federal Republic of Yugoslavia calls on the Security Council to enjoin UNMIK to abide strictly by, and implement consistently, Council resolution 1244 (1999), specifically its provisions relative to the respect for the sovereignty and territorial integrity of the Federal Republic of Yugoslavia. The Federal Republic of Yugoslavia requests the Security Council to instruct the Special Representative to rescind all his unlawful Regulations, issued in flagrant violation of the sovereignty of the Federal Republic of Yugoslavia in Kosovo and Metohija. Bearing in mind that the vital economic and financial sectors in this Serbian province are affected by the Regulation, the Federal Republic of Yugoslavia expects the Security Council to take concrete and urgent steps to enable Yugoslav banks, properly licensed by the National Bank of Yugoslavia and operating in accordance with the relevant Yugoslav laws, to continue their work unperturbed and without having to subject themselves to additional investigations by, and to request new licences from, the Banking Payments Authority of Kosovo and to fully protect their property and personnel.

I should be grateful if you would have the present letter circulated as a document of the Security Council.

(Signed) Vladislav JOVANOVIC
Chargé d'affaires a.i.